



## City of Asheville, NC

### Transportation and Engineering Department

DATE: March 17, 2009  
TO: Finance Committee  
VIA: Gary Jackson, City Manager  
Ben Durant, Chief Financial Officer  
FROM: Cathy D. Ball, PE, Director, Transportation and Engineering *CPB*  
Copy: Mayor and City Council  
RE: Stormwater Utility Rates for Single Family Rate Payers

Last fall, City Council asked staff to evaluate the single family stormwater utility rate structure. The request from City Council was based on developing a tiering structure for single family residential rate payers that more accurately reflects the properties impact to the quality of stormwater runoff.

Staff has completed the data collection and analysis necessary to provide several options to City Council. Two options are revenue neutral, three include some level of increased funding and one option is to make no change until such time that the stormwater fee can be merged onto the water and sewer bill (approximately 18 months).

Option 1 is revenue neutral for single family rate payers. Under this option, one-third of the rate payers pay a reduced rate (\$14.04 total per year), one-third the same rate (\$28.08 per year) and one-third a higher rate (\$42.12 total per year).

Option 2 is revenue neutral for single family rate payers. Under the second option, twenty percent of the rate payers would pay less (\$14.04 less per year) and twenty percent would pay more (\$14.04 more per year) than they are currently paying.

Option 3 maintains a variation of the same methodology of the rate structure as for commercial properties. The net increase to the fund is approximately \$113,000. Under this option, approximately ten percent of the rate payers pay less (\$14.04 less per year) and fifty percent pay more (\$14.04 more per year) than they are paying now.

Option 4 maintains a truer methodology of the rate structure as for commercial properties with the difference being a cap on the amount that the larger impervious surfaces. The net increase to the fund for this option is approximately \$252,000. Under this option, approximately ten percent of the rate payers pay less (\$14.04 less per year) and fifty percent pay twice as much as the pay now or (\$56.16 total per year).



Option 5 is similar to option 4 but has four tiers instead of 3. The net increase to the fund is approximately \$888,000. Under this option, approximately ten percent of the rate payers pay less (\$14.04 less per year) and forty percent pay twice as much as they currently pay (\$56.16 total per year) and ten percent pay three times the current rate (\$84.24 total per year).

Option 6 is a no change option to be evaluated when we are able to transfer the stormwater utility bill to the water and sewer bill. This should occur with the implementation of the new computer system in approximately 18 months.

We have attached additional information including benchmarking data to assist with Council's review of these options.

Please let us know if we can provide additional information.